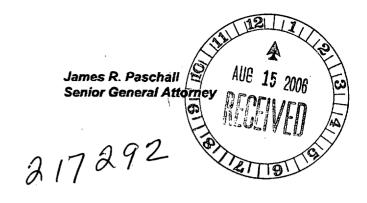


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August 15, 2006

via fax 202 565-9004 and original and 10 copies via mail

Honorable Vernon A. Williams, Secretary Surface Transportation Board 1925 K Street, N.W. Washington, DC 20423-0001

See A Section of Mandally Considerate Dathering Com-

ENTERED
Office of Proceedings

AUG 152006

Part of Public Record

Re:

STB Finance Docket No. 34893, The Chicago, Lake Shore and South Bend Railway Company - Acquisition and Operation Exemption - Norfolk Southern Railway Company

Dear Mr. Williams:

Norfolk Southern Railway Company submits this letter to advise the Board that no agreement has been or will be executed between the Chicago, Lake Shore and South Bend Railway Company with respect to the transaction that is the subject of this proceeding. Therefore, the proceeding is moot. As a result, NSR suggests it may be dismissed by the Board.

CLS&SB should not be criticized for submitting the notice early inasmuch as the parties were working to complete the tentative transaction. CLSSB wished to proceed with the transaction and reactivation of the rail line quickly upon reaching and executing a final agreement with NSR. The Board's notice of exemption was permissive, not mandatory, and did not require that the agreement be reached before CLSSB submitted the notice of exemption to the Board. The Board's notice served July 6, 2006 also does not now require that the transaction be consummated.

Very truly yours,

James R. Paschall

Honorable Vernon A. Williams STB Finance Docket No. 34893 August 15, 2006 Page 2 of 2

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